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Multagri Project

Capitalisation of research results on the multifunctionality of agriculture and rural areas

Setting up and management of public policies with multifunctional purpose

The case of Developing Countries

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The Multagri Project

Multagri : an overview on the multifunctionality of agriculture and rural areas

Multagri is a Specific Support Action undertaken within the 6th Framework Research Programme of the European Commission. With a partnership of **26 research organisations** from **15 countries** this project will provide a comprehensive overview of existing research, particularly in Europe, on different aspects of the multifunctionality of agriculture and rural areas. The approach adopted in this initiative is based on the premise that the multifunctional character of agriculture must be acknowledged and promoted so that agriculture can fulfill its potential as a central pillar of sustainable development.

From a state-of-the-art to recommendations for future research

Although the notion of multifunctionality only recently appeared on international political agendas, numerous social, cultural, technical and research practices already refer to it, either explicitly or implicitly. It is important to structure, assess and interpret these works to enable the identification of relevant questions for future research. This will be the role of Multagri, in six stages :

1. Evaluating the **state-of-the-art of current research**.
2. Further analysis and **understanding of ongoing research work**.
3. Identifying the **main institutions and networks** involved in this type of research, both inside and outside Europe, and paying special attention to new EU member countries.
4. Identifying the different **disciplines and scientific approaches** that are generating knowledge and conceptual backgrounds in this area.
5. Providing a **conceptual and analytical framework** that allows for the identification of approaches and topics for further research.
6. Formulating **recommendations for a future research agenda** concerning the multifunctionality of agriculture and rural areas.

Six research issues

Six thematic axes of research have been identified in order to structure the analysis and guide the development of recommendations for promising lines of future research:

1. Definitions and interpretations of **the concept of multifunctionality**, and its contribution to sustainable development.
2. **Consumer and societal demands**.
3. **Models, techniques, tools and indicators** that are of value in examining the multifunctionality of agriculture.
4. **Multifunctionality of activities**, plurality of identities, and new institutional arrangements.
5. Establishment and **management of public policies** aimed at promoting multifunctionality : connecting agriculture with new markets and services and rural SMEs.
6. **Evaluation of the effects of policies** on the multifunctionality of agriculture: observation tools and support for policy formulation and evaluation.

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Executive Summary

The notion of multifunctionality appeared for the first time in 1992 in the proceedings of the International Conference of the United Nations on Environment and Development. But, the notion was and is mainly used by developed countries, particularly in Europe, with the purpose of preserving and reinforcing the involvement of agriculture in social and territorial fields. For many developing countries, multifunctionality is out of step since (i) a lot of them have severe social, political, institutional and budget constraints, (ii) the concept is not coherent with the liberalization patterns proposed and often imposed by international donors (withdrawal of the state, market and trade oriented policies), and (iii) multifunctionality is perceived as a tool used by the European countries in the context of trade negotiations to justify the subsidies to their agriculture, and consequently contrary to their own interests. However, changes seem to appear in some developing countries regarding the notion of multifunctionality considering the impacts of liberalization and the new rules for trade on their agriculture and rural areas.

During the last two decades, most of the developing countries shifted their former integrated public policies (IP) - implemented before the debt crisis - to segmented (SP) or differential policies (DP) dedicated to targeted objectives. In that context many policies were implemented to create social safety nets or for the preservation of natural resources. In the agricultural sector, most of the policies are now residual (RP), but some countries, such as Brazil, are implementing differential policies targeted on territorial development or family agriculture.

In most DCs market driven approaches to multifunctionality are not relevant because of a lack of national public funding, low institutional capacity, and narrow demand. Alternative modes of funding have to be designed, mixing public and private tools. In that perspective, some Asian countries have implemented innovative approaches encouraging a partnership between village communities and the state based on local know-how and public supports for marketing.

Due to the very specific context of DC's, the main recommendations to the EU are: (i) to go deeper into the policy oriented research on the setting and management of multifunctionality, (ii) to take into account the consequences of the distortions due to its own public policy and to engage in a work about how to compensate market distortions or negative externalities for the DCs, (iii) to increase cooperation between EU and DCs on the processes of policy

making related to agriculture and rural areas, (iv) to implement specific fundings to enhance the recognition of the different functions of agriculture and to fill the research gaps in the comprehension of the processes at stake necessary for the definition and implementation of a negotiated reform agenda based on the specificity of each national and local contexts.

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Abbreviations

CAP	Common Agricultural Policy
CAS	Country Assistance Strategy
DC	Developing Country
DP	Differential Policy
EU	European Union
FAO	Food and Agriculture Organization
GDP	Gross Domestic Product
IMF	International Monetary Fund
IP	Integrated Policy
MAPA	Ministry of Agriculture, Fisheries and Supply (Brazil)
MDA	Ministry of Agrarian Development (Brazil)
NAFTA	North American Free Trade Agreement
OTOP	One Tambon One Product (Thailand)
OVOI	One Village One Industry (Malaysia)
OVOP	One Village One Product (Japan, Korea)
PP	Public Policy
PNRA	National Agricultural Reform Plan (Brazil)
PRONAF	National Reinforcement Program for Farming Family (Brazil)
PRSP	Poverty Reduction Strategy Program
ROA	Roles of Agriculture (FAO program)
RP	Residual Policy
SDT	Special and Differentiated Treatment of agriculture agreement (WTO)
SP	Segmented Policy
WTO	World Trade Organization

Introduction

The notion of multifunctionality, emphasising the need to take into account the non-trade aspects of agriculture, appeared on the international scene in 1992 at the United Nations Conference on Environment and Development (the Rio de Janeiro conference). However, it has been the subject of discussion and applications mainly in the countries with advanced economies, particularly in Europe, marking the concern of these countries—in which the economic importance of agriculture continues to decrease in comparison with other economic sectors—to conserve the involvement of agriculture in the social area (employment, quality of life in rural areas, etc.) and in territorial questions (organisation of rural areas, agrarian landscapes, etc.) that are appreciated and defended by the majority of the population.

However, understanding the role of the notion of multifunctionality in public debate in the developing countries requires a better understanding of the intensifying differentiation processes between developing and developed countries and between the developing countries themselves.

During the last two decades, the very rapid improvement of labour and land productivity in the developed countries has generated a strong increase in agricultural supplies and an equivalent decrease in the agricultural and rural population. In contrast, increases in productivity have been moderate in the developing countries and the agricultural population has continued to grow. Productivity gaps have never been so great—ranging from 1 to 1000 (Mazoyer, 2001). The developing countries account for 96% of the world's agricultural workers who contribute directly to the livelihood of 2.5 thousand million of family members (41% of the world population).

The developing countries as a whole are becoming increasingly heterogeneous. They differ in the size of their agricultural sectors, the techniques used, the amount of value-added generated by agrifood processing, their position on the world market, their dependence on imports, etc. However, differences are growing between types of farmers in the same country, especially in the countries that are net exporters of agricultural products (Brazil, Argentina and Mexico). The multiplication of these differences generates new, short-lived alliances between countries (Cairns Group, G-21 group) in international negotiations (WTO).

Many developing countries are confronted with severe constraints in budgets (debt burden, weak fiscal systems), social questions (unequal access to education and health services), institutional aspects (poor recognition of the institutional fabric of civil society) and politics (asymmetric powers) that dramatically reduce room for manoeuvre in the development of public policies. In the most extreme cases, the international financial institutions have taken over the management of the state, with practically total loss of autonomy for setting up their own programme of government, even if this has been approved by voters.

In this context, the question of the multifunctionality of agriculture is out of step with the preoccupations of developing countries. Until the Cancun conference, most developing countries considered that multifunctionality in agriculture was a concept devised by Europe to defend its agricultural protection system. Even the countries like India and Mauritius that recognised the existence of the social and territorial role of agriculture were critical of the European position, considering it impossible to amalgamate the European concern to conserve the positive environmental effects of agriculture and the preoccupations of developing countries with regard to food security.

However, a change in the position of certain developing countries has been observed more recently. In some countries, the multifunctionality concept is a subject for analysis in more or less limited circles (universities, ministerial units, associations, international organisations, NGOs, etc.).

In that context, our approach has been the following:

Firstly, based on our previous research experience in southern countries, we have identified the definitions of multifunctionality (taking as a reference WP1) that would most probably help us to identify parts of or global policies within existing policy sets. In our view, the first (*'joint production of commodities and public goods'*), the second (*'multiple impacts and contributions to society'*) and the third definition (*'multiple use of rural space'*) appear to provide the best chances to yield results and grasp parts of what might be 'embryos' or tendencies toward public policies with multifunctional purposes. Secondly, we have reviewed series of policy sets in various countries. Thirdly, we have tried to systematize our knowledge by differentiating the different types of policies (macro, sectoral, or territorial). Within sectoral policies we have differentiated agriculture, social and environmental policies.

1. Policies for multifunctionality

11. General approach

In view of the above, our first main conclusion is that in DCs, except for a few citations in articles, discourse, or in the context of very specific situations in certain countries, there are no explicit integrated policies that acknowledge a link with the notion of multifunctionality.

The lack of recognition of multifunctionality is coherent with economic choices made by DCs in the 1980s as a result of pressure from international financial institutions. Reforms implemented in the framework of structural adjustment or during renegotiation of debt systematically implied deregulation of the economy, liberalization of trade, a reduction in the role of the state, the fight against inflation, fiscal improvements and the introduction of a decentralization process. The economic reforms that aimed to increase the competitiveness of national economies were based on the idea that development is intrinsically linked with economic growth and commercial activity. Any interference by the state in the economic process was considered to be ineffective and to lead to a loss in well-being for society as a whole. The clash of interest between this macroeconomic choice and recognition of multifunctionality is obvious since (i) it accords absolute priority to market regulation to the detriment of regulation by the state and (ii) it drastically reduces the means of intervention available to the state.

However, from the beginning of the 1990s objections to this strategy, and even to this ideology, started to get attention in the international arena. The continued existence of a high level of poverty, an increase in social inequality and in migration helped highlight the fundamental difference between economic growth and development. This difference is now institutionalized by the annual publication of a world report on human development by the United Nations Development Programme. In this report countries are ranked according to their level of development, and their order is quite different from the order obtained by ranking countries on the basis of their GDP/inhabitant, which is supposed to represent their level of economic development.

Objections were also heard in the political arena, and were particularly apparent in the new attitude of DCs at international trade negotiations (WTO). DCs have progressively been able to impose their points of view in negotiations and subsequently to oblige industrialized countries to recognize their specificity. The failure of the Cancun ministerial meeting in

September 2003, which was mainly due to the refusal of DCs to accept the point of view of industrialized countries and specifically the USA and the EU, is without doubt a sign of a significant change in the relationship of power between industrialized and developing countries. This attitude does not call into question the choice of economic liberalism but will doubtless contribute to modifying the rigidity of economic packages imposed on DCs by international financial institutions.

This change, though still very discreet in the repositories used for guidance in national public policies in DCs, may lead certain countries to review their position with respect to the notion of the multifunctionality of agriculture. In fact some countries such as Brazil, Mexico and even Colombia now make formal reference to multifunctionality in official documents.

In another connection, their objections have been supported by critical statements by renowned economists who question the relevance of structural adjustment programmes imposed on DCs, one example being J.E. Stiglitz (2002).

Nevertheless, it has to be acknowledged that today public policies are still profoundly affected by the process of state disengagement. The place of agriculture in the economy and in society as a whole, and the situation of public policies (PP) in DCs are changing according to a 'gradient' of configurations: from 'residual' PP to 'integrated' PP, passing through 'segmented' or 'differential' PP.

Here an explanation of the terms used is required. Integrated public policies (IP), segmented policies (SP), and residual policies (RP) refer to the configuration of public policies. IP refers to policies that aim to influence the whole range of productive, social, territorial and commercial aspects of a given economic sector as a whole. These policies affect production capacity by acting on productive and social infrastructure, and on the facilities available for production units, education and training, credits, etc., as oppose to segmented policies (SP) whose aim is to target actions to correct specific problems (poverty, urban violence, pollution, etc.). The latter have no direct effect on production, whose regulation is entrusted to the market. They focus on PG and externalities. According to international regulations published by the WTO, agricultural policies are to be progressively integrated in this category, and will no longer be able to directly affect production by means of price support or unit-based subsidies. The RPs correspond to programmes and public actions which pertained to production and which survive the dismantling of public policies in the framework of state withdrawal. The differential policies (DP) are based on a different logic; they correspond to public measures that are specific to different sectors of the population and are aimed at

correcting existing inequalities (level of development, access to services, access to employment, etc.); and this is the case of positive discrimination.

In another connection, the implementation of these policies depends on the degree of decentralization and the sharing of responsibility between the central government and regional and local authorities. The implementation of environmental policies is thus frequently entrusted to local authorities.

1.2 Specific approaches

1.21. Macro-policies

Whatever the definition adopted, we have found no trace of any explicit or implicit relationship with multifunctionality at the general level when reviewing macro-policies, e.g. Country Assistance Strategy programs (CAS) or Poverty Reduction Strategy Programs, (PRSPs). The only exception is perhaps debt swap for nature, which is defined as cancellation of external debt in exchange for the debtor government's commitment to mobilize domestic resources (local currency or another asset) for an agreed purpose (Mercado, 2003).

1.22. Agricultural policies

Most agricultural policies are residual. As a consequence of liberalization and adjustment policies, technical assistance, credit, intervention on markets (prices), sectoral development projects no longer exist. Actions implemented by Ministers of Agriculture are most often limited to certification and sanitary control. Certain countries nevertheless try to safeguard mechanisms concerned with statistics and research. The poorest countries were obliged to abandon all forms of agricultural policy on account of structural adjustment programs contracted with the International Monetary Fund (IMF) and the world Bank.

However, these general provisions vary with the country. Below are two illustrations.

In Mexico, the agricultural policy that prevailed up to the beginning of the 1990s was based on strict regulation by the state, which was justified for many years by the alliance between the peasant mass and the ruling party. Constructed on the basis of land reform in the 1930s, agricultural policy comprised a system of price regulation in strategic sectors, a state monopoly on the import of grains and on the exports of agricultural products, the existence

of public enterprises for the production and processing of agricultural products, and networks of public service enterprises (finance, crop insurance, research, technical support, and extension activities). When Mexico adopted adjustment program and then joined the North American Free Trade Agreement (1994), the result was a rather drastic dismantling of its entire agricultural policy: the end of the land redistribution programme, privatization of land, privatization of production enterprises, the end of farm credit programmes, a reduction in agricultural counseling. Public action was limited to two programmes aimed at providing safety nets for producers experiencing difficulties in the liberalization process, one of which, Procampo, provides support for production through a small subsidy per hectare or per cattle head; the other, Aserca, provides marketing support.

Brazil is an exception, since it is probably the only country in the world that has differentiated between its agricultural and rural development policies. Two ministries were created: the Ministry of Agriculture, Fisheries and Supply (MAPA), and the Ministry of Agrarian Development (MDA). The mission of MAPA is to develop the economic, regulatory, technical and scientific aspects of agri-business. By concentrating its attention on agricultural products, their valorization and marketing, MAPA targets its actions to large-scale producers and exporters of agricultural products. These form a political lobby in the National Assembly and are strongly opposed to the notion of multifunctionality. The mission of the Ministry of Agrarian Development is primarily to ensure the social and economic insertion of family farmers and of the members of these families by means of a structural policy (infrastructure, loans, education and training), supplemented by social assistance. MDA programmes – the national reinforcement program for farming families (PRONAF), the SAFRA plan (agricultural yield), the national agricultural reform plan (PNRA), the socio-environmental development program for rural family production in Amazonia – all refer in one way or another to the multifunctionality of agriculture. In another connection, the implementation of agricultural policy in Brazil is mainly decentralized. Federal authorities are responsible for the management of structural programs) PRONAF, the SAFRA Plan, etc.), basic research, regulations, statistics, etc. Agricultural development activities are controlled by state authorities. The implementation of all these actions is in the hands of local authorities. In practice, this form of organization has led to territorial differentiation between states and municipalities linked to the development strategies selected and to the degree of eligibility for aid programs.

Nevertheless a few convergences can be identified through the tools of the new international rules (WTO or the Kyoto agenda): SDT (Special and differentiated treatment), green box measures, etc.

1.23. Social policies

The consequence of the withdrawal of the state and of liberalization has been the widespread development of social policies defined as safety nets to compensate the impacts of the macro-policies. These policies are usually segmented or differentiated policies.

Safety-net policies aim to provide the minimum conditions needed to avoid a drastic degradation in living conditions of the population and their social consequences (rural exodus, unemployment, and urban violence). These policies are mostly focused on rural areas, where the majority of the poor live, and indirectly to farmers. They help the sustainability of rural livelihoods and, in some situations, they echo the idea of 'a social debt' of the city (or of society) towards rural areas. The majority of programs to fight poverty fall into this category of policies, i.e. *bolsas familias* (Brazil), *Oportunidades* (Mexico) or Poverty Alleviation (Thailand), etc. These programs, which are reviewed each year, are modular and can be adapted to budgetary constraints as well as to political and social pressures.

1.24. Environmental policies (including forest policies)

The main objectives of these PPs are biodiversity, protection of non-renewable resources, and sustainability. These new PP are a direct consequence of the intents, by national governments, to comply with international treaties and agreements. Many of these national policies are funded by external environmental agencies and emerged under more or less heavy lobbying by civil society organisations. As a consequence, most of these policies are implemented with relatively high levels of participation by NGOs and local authorities through local initiatives (e.g. Africa, Latin America).

The tools of intervention that relate to the notion of multifunctionality may be best described as follows. The tools for intervention that had most direct (although not always positive impacts) are certainly the economic instruments (taxes or subsidies), developed to intensify agriculture activities or to promote forestry in rural areas in the fifties (cf. experience of Latin America). The "forestry departments" then turned into departments for the administration of natural parks and reserves (seventies), and later evolved to the present ministries of environment (late eighties, nineties). In the eighties, environmental regulation was developed in most countries of the south, mostly in the form of sophisticated environmental codes and laws. However, with a few exceptions, the capacity to implement these laws remained severely limited. A specific form of regulation concerned access to natural resources and biodiversity (in natural parks or reserves, natural monuments etc.). In many

cases, a distinction was made between the core of the natural park and its buffer zone, enabling the development of the notion of payment for environmental services. In the buffer zones, environmental services were defined as a voluntary restraint on the use of natural resources or an action that directly (reintroducing species) or indirectly contributes to the preservation of biodiversity (for example by building roads in such a way that visitors remain far from the core area). The notion of environmental services thus created space for public investments that were justified on the basis of the contribution to nature conservation, instead of the conventional financial cost benefit evaluation techniques. Recent reflections on the notion of “biological corridors” have justified specific broad sets of public investments in rural areas (Brazil, Central America). In three countries (Chile, Benin, Argentina) new approaches to environmental regulation and biodiversity prevention are being experimented with (based on the French experience with voluntary, self regulated and self governed, but officially labelled “Regional Natural Parks”). A few Latin American research teams are actively involved in the reflections concerning carbon sequestration and the implementation of the Kyoto Treaty, although no specific measures have been implemented till now.

1.25. Territorial (rural-regional) policies

These PP are at the cross section of some major issues: (i) the movement toward decentralization linked to the withdrawal of the central state, and the growing role of the local civil society (increasing democracy), (ii) the failure of the top-down development programmes and the need to rest on the local assets (‘terroir’), (iii) the imperative of the local management of the natural resources.

Many new approaches are implemented or piloted, some of them being linkable to specific functions of agriculture or rural areas (and multifunctionality): targeted policies for rural areas and populations (social safety nets + services + infrastructures).

Among the new approaches, the “new rurality” comprises a field of discussion which is very active in Latin America without one really knowing whether this involves a framework concept or a new public policy based on clusters promotion and local stakeholders networking. However, there is no doubt that these discussions correspond to a real concern for renovation of public policies in order to take territorial dynamics into account better and support them. The recurrent concern of teams which are involved in these matters is how to determine ways to reinforce the rural development processes and limit the exodus to urban centres. The strategies which have been studied most extensively are (i) increasing the production of wealth through diversification of economic activities and by facilitating the

outsourcing of industries (agrifood or not) in rural environments, and the propagation of a part-time family-business agricultural model, (ii) improving the living conditions of the rural population by improving access to basic services (health, education, information, etc.) and (iii) reinforcing local governance by building up the capacity of local players and institutional reform. The results of these initiatives vary widely depending on the country, but clearly fall short of expectations (Bonnal et al, 2003).

1.26. New forms of regulation based on a renewed public / private relationship

In various DC's, we are seeing the emergence of new regulation forms which have arisen from calling into question the role and place of agriculture in societies and the institutional forces which govern it. This institutional development is related to the acknowledgement of regulation principles which are contradictory from the point of view of the importance which is granted to the commercial, social and political aspects. We are thus seeing the questioning of the traditional alliance, in numerous countries, between peasantry and public authorities (e.g.: Mexico and Thailand), as well as the redefinition of the role of agriculture in society and the rules for state intervention according to the national political power relationship (Losch *et al*, 2004).

Thus, in Thailand, traditional agriculture has a buffer role with respect to economic crises (such as the one in 1997), given its capacity to temporarily absorb the surplus labour in the industrial sectors. In Brazil, the capacity of family-business agriculture to settle the population in rural environments in order to prevent urban growth and limit social problems is widely recognised. In Mexico, family agriculture provides a pool of labour for industry which is undergoing outsourcing and is at the origin of family transfers by migrant workers to the United States.

In all cases, new institutional forms are established from a redistribution of functions between the private and public sectors: the former is responsible for production and marketing, while the latter is supposed to facilitate the reinforcement of the commercial capacity of companies and to manage the social and territorial aspects when the private sector is unable to do so. This new definition of roles is accompanied by a partnership between private and public sectors, which can assume new forms. One of the most obvious forms is the promotion of a dual agricultural system, in which a commercial sector stimulated by a favourable economic policy coexists with a social sector which may be subject to public assistance. This institutional form can be highly formalised, particularly through an adaptation of public

institutions (Brazil), or, on the contrary, it can be informal and flexible, enabling public authorities to intervene on a case-by-case basis (Thailand).

2. Policies for the implementation / development of market driven approaches

Very few examples of multifunctional policies based on market driven approaches are available in DC's..

The following three factors explain why market driven approach to multifunctionality will durably be exposed to failure: lack of national public funding due to the fiscal crisis, low capacity to produce and implement norms, narrow or inexistent demands due to unequal income distribution and poverty level, unwillingness to pay on the consumer side. One main exception is or could be the specific markets for 'foreign' customers (e.g. rural or agro-touring).

As a consequence alternative modes of funding and new conceptions of market driving PP's have to be designed, mixing public and private tools. This asks for a paradigm change: if the last twenty years have been aiming at the modernisation of the state, more attention has to the adaptation of the private sector ('fair an inclusive' private sector development).

Among the existing initiatives, one should note projects such as: One Village One Product Projects (OVOP). Taking their stimulus from Japan in the 1980's, these projects have almost identical forms in different Asian countries. Thus, one finds the OVOP in Japan and in Korea, the One Village, One Industry (OVOI) in Malaysia, the One Tambon, One Product (OTOP) in Thailand. In all cases, these projects are intended to encourage the rural population to turn its know-how to account by marketing local products in agricultural, agrifood and handicraft fields. The project is based on a partnership between the village community, responsible for production, and the state, which sets up working capital at the village level in order to start up production, and provides a marketing support service: information (regulations, standardisation), marketing, commercialisation (E-commerce), etc.

3. Procedures and processes in the definition and implementation of public policies referring to multifunctionality

Due to the specific context of DC's and the few examples of public policies referring to multifunctionality (see supra §1.1), there are no specific procedures and processes in the definition and implementation of these policies.

In most of the countries of the South, the following patterns may be verified:

- Policy formulation is heavily influenced by the international agencies (bilateral, multilateral, NGO). This is particularly true in the DCs.
- Most of the segmented (SP) and residual (RP) policies are prepared at the central level, without noticeable efforts to involve relevant stakeholders (including citizens) during preparation or implementation.
- Probably because of their nature (IPs imply higher levels of coordination and negotiation), most of the integrated policies (IP) are associated with higher levels of stakeholders participation. This is particularly true for those IPs elaborated at local or regional levels. The decentralisation process, with all its limitations, has created opportunities for noticeable levels of local participation in the processes of policy formulation. In many cases, there is evidence of citizens' participation during implementation of these IPs, although the traditional power structures remain unaffected.

4. Past policies

The main characteristics of the past policies (till 1990s) need to differentiate two periods: before and after the debt crisis and its consequences (structural adjustment, state withdrawal, reduction of public spending).

In the days following World War II, policies called development policies (Rist, 1999) were included in the framework of the United Nations and became important in the international political economy. They were at the origin of development strategies in most independent tropical countries and guided the decolonisation process in Africa and Southeast Asia (Furtado, 1977). In most DC's, the agricultural policy was subordinated to import substitution

and industrialisation economic policies. Henceforth, the roles assigned to agriculture were to provide the population with foodstuffs, to supply raw materials to the burgeoning agrifood industry, to produce currency via exports in order to enable one to import capital-intensive goods and the industrial inputs, and to free up the labour necessary for the development of national industries. Defined in an ideology of economic catch-up with respect to the industrialised countries, this development strategy, based on public investment, gave rise to a structural policy whose components were: the modernisation of agriculture (the green revolution), the increase of agricultural limits, land-use planning (infrastructures: roads, irrigation schemes, the regulation of markets. Agriculture was therefore an affair of state which intervened most frequently in co-management with the private sector. In all cases, the national level was the place for defining and implementing public policies and the state (producer, regulator, distributor) was located in the very centre of the development dynamics.

The exhaustion of the Fordist model (standardisation of the production, high wages, high level of consumption), and the necessity for companies in industrialised countries to expand their markets are at the origin of the process for liberalising the world economy; at the same time, the debt crisis of the 1980's (Mc Michael, 1996, Ominami, 1986) acted as the main levers for the reappraisal and subsequently the dismantlement of administered organisation forms linked to the state-providence model (Leys, 1996; Sachs, 2000). The silent revolution of the "minimum state" (Green, 1995) and the structural adjustment of the indebted economies of the DC's (entrenched in the Consensus of Washington - Williamson, 1990) led to the state's withdrawal from numerous agricultural support functions. The disarming of agricultural market regulation policies resulted in substantial instability (Bouët, 2004); this was increased even more by putting economies and agricultures with highly different productivity levels into competitive positions in internationalised markets. The states then redefined their public policies in order to correct the negative consequences of commercial liberalisation by policies which were segmented and carefully targeted, while preserving, insofar as possible, agricultural support systems in agreements with financial institutions as well as international agreements (WTO) by residual policies.

Regarding the procedures, we can point a shift from central planning and national strategies to segmented operations defined with international donors and local stakeholders (civil society and local governments in the context of decentralization)

5. Existing studies on data collection

One of the characteristics of many DC's is the lack of data, increased in the last decade by the reduction of the public spending. The existing data are: national statistics (and other governmental bodies), ad hoc surveys, interviews (with various stakeholders).

The data production comes from: government departments, research, universities, consultancy and professional bodies. International agencies are a growing source of information due to their deep intervention in the economic management of many national situations such as the CAS and PRSP.

Due to the lack of specific PP dedicated to multifunctionality, there are not existing studies or direct assessment on the theme. Some research networks are progressively implemented with variable successes.

However, one must make an exception with the Roles of Agriculture Project implemented by the FAO that is a socio-economic analysis and policy implications of the roles of agriculture in Developing Countries, better known by the name of the ROA Project. This project tries explicitly to explore the indirect contributions of agriculture in social and environmental fields in order to generate information and tools enabling one to improve the sustainable development strategies and policies in developing countries. The ROA project is based on a series of studies of national cases (Ethiopia, Mali, Ghana, India, Indonesia, Morocco, China, the Dominican Republic, Mexico, Chile and South Africa). Each case study was subject to an identical analysis method based on the exploration of 7 precise topics: (i) Recent economic and agricultural development, (ii) Environmental externalities, (iii) Poverty reduction, (iv) Food security, (v) Buffer role of agriculture in times of crisis, (vi) Social viability: spatial population balance and rural viability, (vii) Cultural studies and perception survey. All results are available on line on the Website of the FAO².

The data collection is still relying mostly on direct knowledge of situations, the review of public spending indicators, available statistical data and the very scarce literature available (see bibliography). The most reliable indicator till now has been the evolution of targeted public spending (national, regional, local), even if the use of these information is clearly

² www.fao.org/es/esa/roa/

difficult (variability between countries of the analytical categories). However, it must be said that, as a consequence of the recent international negotiations (e.g. WTO), there has been a notable change regarding accessibility to detailed figures of public spending.

Conclusion

a). Despite the demand (growing rural population, environmental disasters, increasing poverty), there is an overall crisis in the capacity to conceive and develop public rural policies that are adapted to today's and foreseen contexts (globalisation, new roles for the private sector, emerging challenges due to the global change).

b) Due to asymmetries, the southern countries are particularly badly placed to participate in the co-construction of new paradigms and new policies and instruments.

c) There are no explicit, coherent references to multifunctionality in public policies (macro, sectoral, territorial) in southern countries. There are few national or thematic exceptions

d) However, there are implicit references to the notion of multifunctionality, specifically when adopting broad definitions (like the definitions 1, 2, and 5 of WP1) as frameworks of reference.

e) In order to develop new approaches towards multifunctionality based on market driven approaches, there is a need to foster new research and action towards the development of an inclusive and fair private sector.

f) There is a demand for the consolidation of the capacities of southern countries to be able to conceive and develop new types of more integrated PP linking the responses to local and global challenges.

Recommendations for the EU

From this review, some recommendations can be drawn for the European Union in the frame of its global relationship with DC's and could guide the renovation of its partnership.

As a commercial partner, EU should take into account the consequences of the distortions due to its own PP, and for instance engage a deep policy work about how to compensate market distortions (case of the CAP) or for the negative externalities of the low cost imports from DC's (with consequences on natural resources for instance).

As a donor, EU should:

- increase its technical assistance to the processes of policy making related to agriculture and rural areas, strengthening the capacity of rural stakeholders, but also of the various governmental bodies;
- implement specific funding dedicated to the valorisation of the different functions of agriculture.

Research gaps

It seems clearly that there are research gaps in the comprehension of the processes of what could be called the 'political economy of the reform agenda'. It is necessary to understand what is at stake, in every specific situation, referring to the former contexts and the new opportunities and constraints. This perspective is necessary to engage a policy oriented research on the setting and management of multifunctionality.

In each context, there a need of:

- Understanding: back to the basics of political economy who are the social and economic actors? What are their interests? What are their relative positions of power? What are their long term views of the world and what are their strategies? How can these analyses help us to understand the overall situation of the state, the private sector and the civil society, and their respective strategies (and policies)? In other words, how to identify who are the stakeholders around and outside the negotiation tables?
- Prevision: how to anticipate the main demographic, economic, and geopolitical changes and their consequences on the future of rural areas and the management of natural resources in DC's. For instance, how to grasp the mid and long term effects of the rapid economic growth of several emerging countries (like India, China, Vietnam, Brazil) on the evolution of the rural areas in the neighbouring southern countries?

- Identification of alternatives based on scenarios: which types of PP with which consequences (e.g. policies of competitiveness for agriculture or more global structural reforms, with or without compensations for the social and economic outcasts), opportunities and consequences of broad trends like international migrations, global risks due to political and economic instability (insecurity, unlawful activities), etc.
- Identification of relevant policy advice: it could be done in a few pilot areas/countries, helping the definition of the objectives and tools of the PP, following the implementation and measuring the impacts. One of the first steps would be to create the conditions for collective learning from the policy cycle.

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